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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE WR 3-82

WASHINGTON, Jan. 20--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

WORLD GRAIN PRODUCTION in 1981/82 is now forecast at 1.632 billion tons, up slightly from the December forecast of 1.626 billion tons. Adjustments were made in both area and yield.

World wheat production for 1981 is now forecast at a record 452 million tons, up fractionally from last month's estimate of 449 million tons. Excellent harvest weather and better-than-expected yields caused an upward adjustment of 500,000 tons in the estimate of Australia's wheat production to 16 million tons. The estimate of Argentine wheat production also was increased 300,000 tons to 7.8 million tons. Indications are that early dry conditions in Argentina were not as damaging as earlier expected. Yield adjustments also were responsible for a 250,000-ton increase in the estimate of South Africa's wheat production which now stands at 2 million tons. In addition, wheat production estimates were increased for the United States and Brazil.

The estimate of world coarse grain production is now 770 million tons, up slightly from the December estimate of 767 million tons. Most of this increase was due to the larger U.S. coarse grain crop. The forecast of Argentina's grain sorghum production also was raised 200,000 tons to 6.8 million tons, primarily because of acreage increases.

World rice production in 1981/82 is now estimated at 408.9 million tons, a decrease of 1.2 million tons from last month's estimate. In Brazil, rice production prospects for harvest early this year have been lowered by 1.1 million tons to 8.9 million tons due to a 650,000-hectare decline in the estimate of planted area which is now 6 million hectares (a 10-percent drop in area, compared with last year). The reduction in planted area in Brazil was caused by a shift from rice to corn and dry beans since these commodities are more favorably priced. This production shortfall will probably cause the Brazilians to import rice in late 1982 or early 1983. Drier conditions in

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MARY FRANCES CHUGG, Editor. Tel. (202) 382-9331. Additional copies may be obtained from FAS Information Services Staff, 5918-South, Washington, D.C. Tel. (202) 447-7937.

Burma caused a 4-percent reduction in the estimate of that country's rice crop, compared with last month. The new estimate for Burma's rice production is 13 million tons. U.S. rice production showed an increase of 124,000 tons , lifting the total to 8.4 million tons. This is an increase of 27 percent over last year.

DAIRY, LIVESTOCK AND POULTRY

In WEST GERMANY, both pork and beef production are expected to decline in 1982. Pork production is expected to be down about 1 percent while beef production is expected to fall about 3 percent. These changes continue trends set in 1981.

The reduction in beef output is mainly the result of increased exports of heavy cattle and slightly lower average weights for domestic slaughter. The cow herd is largely of a dual purpose type and shows little variation in numbers. In the pork sector, fourth quarter hog/feed price ratios were well above those in the first half of the year, but the increase came too late to prevent an inventory drawdown. With more favorable price ratios, a buildup in hog numbers is likely during 1982.

OILSEEDS AND PRODUCTS

The January forecast of WORLD OILSEED PRODUCTION for 1981/82 of 173.4 million tons, is down 1.4 million tons from last month's forecast but 13.5 million tons above the reduced 1980/81 output. The current forecast of global oilseed production is 116,000 tons below the record level produced in 1979/80. The downward revision in the estimate of the 1981 soybean crop in the United States from 56.5 million to 55.3 million tons is responsible for nearly all of the change from last month's forecast of world oilseed production.

World soybean production is now forecast at 88.8 million tons, down 1.2 million tons from December. Again, the change is due mostly to a reduction in the estimate of the U.S. crop.

TOBACCO

The EUROPEAN COMMUNITY'S Commission has granted a six-month extension for payment of export subsidies on tobacco from the 1979 and 1980 crops. Subsidies will continue through June 1982. Tobacco export subsidies are set by tobacco type and destination. Exports of flue-cured, burley and Maryland tobacco from the 1980 crop are eligible for a subsidy of 30 European Currency Units (ECU) (32 U.S. cents) per kilogram to all third countries except the United States and Canada. Other varieties from the 1979 and 1980 crops are eligible for export subsidies ranging from 34 to 72 ECU (37 to 78 U.S. cents) per kilogram.

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The first tobacco export subsidy in the EC was granted in 1973 for burley and Xanti-Yaka from the 1971 Italian crop. Export subsidies enable Community tobacco to remain competitive in world markets and aid exports of types held in intervention stocks.

COTTON

WORLD COTTON PRODUCTION in 1981/82 is estimated now at 70.8 million bales, slightly below last month's estimate of 71 million bales. This reduction is primarily due to downward revisions in estimates for the major producing countries of Mexico, Brazil, Pakistan and Turkey. These revisions more than offset expected increases in production in the United States and a number of smaller producing countries. This month's 1981/82 area estimate was increased slightly due to an upward revision in the area estimate for India.

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The U.S. share of JAPAN'S cotton imports should improve during the current marketing year as the Japanese textile industry recovers. Lower cotton prices and favorable exchange rates have allowed Japanese spinners to return to a profit-making position after a long and difficult time. A drawdown in cotton goods stocks, achieved under the production cartel formed last spring, also has helped the spinners' position by reducing carrying costs. U.S. exports of raw cotton to this market will improve because of price competitiveness, although competition from some Central American growers could be strong. Although cotton consumption is still running below last year's level, there is now cause for some cautious optimism, especially since prices and fashions favor use of high-count cotton yarns over synthetics.

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The 1981/82 cotton crop in MEXICO is now estimated at 1,375,000 bales, 125,000 bales below last month's estimate and 14 percent below last year's level of 1,595,000 bales. This year's reduced crop is principally due to poor growing conditions, heavy insect and disease losses, and widespread grower dissatisfaction with both international and domestic prices for cotton.

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BRAZIL'S 1981/82 cotton crop is estimated at 2,630,000 bales, 80,000 bales below last month's estimate. This drop is due entirely to a decrease in the northeast crop which was subjected to dry weather during the growing season. The planting of the southern crop was late because of extremely dry weather. However, rains did commence in late September and early October and have been unusually heavy since then in most of the cotton belt. Although no major demage from the rain was reported, some replanting did occur.

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HORTICULTURAL AND TROPICAL PRODUCTS

The government of BRAZIL closed export registrations for frozen concentrate orange juice (FCOJ) on Jan. 13 but opened them again Jan. 15. The temporary prohibition of new export sales was made in response to the freeze which damaged Florida's citrus crop on Jan. 12. Brazil's minimum export price for FCOJ remains unchanged at $1,100 per ton. No modification in the minimum price is anticipated for the remainder of the Brazilian shipping season which runs through May.

About 533,000 tons of 65 degree brix frozen orange juice concentrate (FCOJ)--equivalent to 184 million gallons of 42 degree brix FCOJ--were produced in Brazil during the recently completed 1981 season. Before the recent freeze in Florida, it appeared as though Brazilian processors would be unable to find export markets for all of this production and would terminate the marketing year in June with a carryover in excess of 100,000 tons (34 million gallons). A substantial portion of this unsold concentrate is now believed to have been committed for export, mainly to the United States.

Forecast of the 1982 crop are not available because harvesting does not start until May, but current indications are that it will be at least as large as the 1981 crop. If the crop materializes as expected, Brazilian processors would have at least 200,000 tons (69 million gallons) of FCOJ available for export to the United States during the year beginning in July.

Before the freeze in Florida, Brazilian processors were exporting 65 degree brix FCOJ for about $1,150 per ton, f.o.b.($1,300, c.i.f.). There is, as yet, no indication of post-freeze prices.

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The 1981 walnut crop in FRANCE is now estimated at 9,200 tons, down 20 percent from the last estimate, and 56 percent below the 1980 level. Consequently, France will probably increase its walnut imports during the 1981/82 season. Imports are projected to reach 9,100 tons, of which nearly 80 percent may be supplied by the United States.

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The preliminary estimate for INDIA'S 1981 walnut crop has been revised from 19,500 tons to 18,000 tons, a level equal to the 1980 crop. Inclement weather dampened crop prospects in Jammu and Kashmir, both major walnut growing areas.

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INDIA'S 1981 cashew production is estimated at a record 170,000 tons, 20 percent above the 1980 crop of 141,830 tons. The high level of output in 1981 is the result of several newly instituted government extension programs. These programs were designed to expand indigenous production of raw cashew nuts to reduce India's dependence on imports and to fully utilize several idle processing facilities.

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The 1981 almond crop in PORTUGAL is expected to reach only 4,000 tons (shelled basis). This would be down one-third from the preliminary estimate in September of 6,000 tons, and 20 percent smaller than the 1980 crop. The expected decline is the result of a prolonged drought and a severe summer heat wave that caused a substantial volume of kernals to shrivel.

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The estimate for SYRIA'S 1981 pistachio crop has been revised upward to 9,000 tons--29 percent above both the first official government forecast last October of 7,000 tons and the 1980 crop, which also was 7,000 tons. A further increase--to 10,000 tons--is currently projected for the 1982 season in view of the fact that the number of trees coming into production is expected to increase by 5 to 10 percent.

RECENT FOREIGN AGRICULTURE CIRCULARS

November Imports Down, January-November Imports Exceed Year Earlier Levels, FD 10-81
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Tree Nuts: Almonds, Walnuts, Pistachios, Filberts, Macadamia Nuts And Pecans FN 5-81
Vegetables: Trade Statistics In Selected Countries, FVEG 1-82

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Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Jan. 19, 1981		Change from previous week	A year ago
	$ per m. ton	$ per bu.	¢ per bu.	$ per m. ton
Wheat				
Canadian No. 1 CWRS-13.5%.....	1/	1/	1/	1/
U.S. No. 2 DNS/NS: 14%........	188.00 7/	5.12 7/	-2 7/	226.00
U.S. No. 2 DHW/HW: 13.5%......	202.00	5.50	0	233.00
U.S. No. 2 S.R.W..............	171.00	4.65	-2	227.00
U.S. No. 3 H.A.D..............	194.00 7/	5.28 7/	+3 7/	270.00
Canadian No. 1 A: Durum.......	213.00 7/	5.80 7/	-9 7/	1/
Feed grains:				
U.S. No. 3 Yellow Corn........	132.00	3.35	-4	184.00
U.S. No. 2 Sorghum 2/.........	144.00	3.66	+9	194.00
Feed Barley 3/................	1/	1/	1/	221.50
Soybeans:				
U.S. No. 2 Yellow.............	267.50	7.28	+22	340.75
Argentine 4/..................	268.50 7/	7.31 7/	+23 7/	1/
U.S. 44% Soybean Meal (M.T.)..	250.00	--	+12.00 5/	305.00
EC Import Levies				
Wheat 6/......................	88.70	2.41	+4	77.65
Barley........................	74.45	1.62	-11	39.10
Corn..........................	93.70	2.38	-19	70.65
Sorghum.......................	85.30	2.17	-17	58.80

1/ Not available.
2/ Optional delivery: U.S. or Argentine Granifero Sorghum.
3/ Optional delivery: Canadian Feed Barley.
4/ Optional delivery: Brazil yellow.
5/ Dollars per metric ton.
6/ Durum has a special levy.
7/ April/May delivery

Note: Basis Feb. delivery.

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